and HTL, claim for post closure depending on the difference in the value of net assets on 31.3.2001 and on the closing date. The claim would be based on the closing date statement prepared by the auditors to be appointed through mutual consent of the Government and the Strategic Partner. In the case of HTL, the duly appointed auditor has submitted its draft report, containing the value of net assets of HTL on the closing date. The report is being examined by the Department of Telecommunications.

Reviving disinvestment of ITDC Hotels

1228. SHRI P. K. MAHESHWARI: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether his Ministry has received any proposal from the Department of Tourism to permit reviving the disinvestment process for the ITDC hotels, particularly Hotel Ashoka, Delhi;

(b) if so, the details of the proposal;

(c) whether his Ministry has taken any decision in the matter; and

(d) if so, the details thereof?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) No, Sir.

(b) to (d) Do not arise in view of reply to (a) above.

Disinvestment procedure of PSUs

1229. SHRI DIPANKAR MUKHERJEE: Will the Minister of DISINVESTMENT be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned, "Sell-off plan needs to be overhauled, says Patil", which appeared in the Economic Times, dated the 15th October, 2002;

(b) whether Government are recasting the existing process, as suggested in the above report, to ensure that valuation of a PSU is carried out before taking a decision on quantum of stakes to be divested; and

(c) if not, the reasons therefor?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Yes, Sir.

(b) and (c) The proportion of equity to be disinvested has no relationship with the valuation of the company and depends on the fundamentals of the

company to be disinvested, the nature of the transaction and the need for Government to retain a residual share. Valuation is done primarily for the purposes of setting the reserve price. The price at which the company is actually sold, is established through a transparent and competitive bidding process in which pre-qualified parties participate. In the past, the sale price has generally exceeded the reserve price. In view of this, as an abundant caution and as per approved procedure, the valuation exercise is always completed after the price bids are received. This ensures that the reserve price is not known to anyone at the time financial bids are called and there can be no collusion with the bidders. Recasting the existing disinvestment process is, therefore, not necessary.

Disinvestment of BPCL and HPCL

1230. SHRI RAJKUMAR DHOOT: Will the Minister of DISINVESTMENT be pleased to state:

(a) the reasons and circumstances under which the private oil companies like Burmah Shell, Caltex and Esso were nationalized to form public sector oil marketing undertakings BPCL and HPCL;

(b) whether these companies have not achieved the purpose and objectives for which they were formed;

(c) the reasons and purposes for allowing disinvestment in BPCL and HPCL; and

(d) the points of difference of opinion on the quantum and time frame of disinvestment in these undertakings?

THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE): (a) Nationalization of Private Oil Companies like Burmah Shell, Caltex and Esso was done at a point of time at which it was felt that the national exigencies required their nationalisation to ensure that the petroleum products distributed and marketed in India by those companies were distributed to subserve the common good.

(b) Bharat Petroleum Corporation Limited (BPCL) and Hindustan Petroleum Corporation Limited (HPCL) have so far performed well in terms of physical and financial parameters.

(c) and (d) In the changing global economic scenario and the need for greater public-private participation and private financing initiative, disinvestment by Government of its shareholding in State owened enterprises, is now an instrument of economic policy accepted globally. India has also been pursuing disinvestment as a part of its economic reforms strategy for